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The Director of Central Intelligence Washington, D.C. 20505

National Intelligence Council

26 April 1984

MEMORANDUM FOR:

The Vice President

THROUGH:

Director of Central Intelligence

SUBJECT:

Japanese Views of a Possible Vice Presidential

Visit to Japan

Don Gregg asked for an Intelligence Community assessment of how the Japanese view your proposed visit to Japan. This assessment excludes any consideration of American views.

Japanese attitudes regarding your visit have developed against the backdrop of press commentary extending back to President Reagan's Fall 1983 visit.

- -- The Japanese press has referred repeatedly to unspecified commitments regarding trade issues reached in private conversations between Prime Minister Nakasone and President Reagan.
- -- Your role in coordinating implementation of these commitments has also been reported.
- -- More recently, the press has reported that the Ministry of Foreign Affairs is making plans for receiving you in early May.

Although foreign affairs issues are seldom dominant in Japanese factional politics, Nakasone has gained some political benefit by managing the American relationship in a fashion that is widely regarded in Japan as effective and far-sighted. LDP leaders not only expect that your visit, capping implementation of the Nakasone--Reagan commitments, will strengthen Nakasone in his bid for re-election as LDP President next November. They also expect the visit to ease trade problems with Washington in advance of the London summit, a key Japanese objective.

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Japanese bureaucrats believe that the package of trade liberalization measures, which they are calling the fifth package, represents a reasonable compromise between what Tokyo finds politically affordable and what Washington wants. The Japanese believe they have shown the most flexibility on NTT procurement, agriculture, VANs, software, tobacco and standards and the least flexibility on tariffs and satellites. The outcome on financial markets and yen internationalization will not be fully known until late May, though the Ministry of Finance thinks that substantial concessions have already been made.

-- The mid-May timing of LDP Vice President Nikaido's visit to

This memorandum has been coordinated in the Intelligence Community with CIA, INR, and DIA.

Washington suggests a connection with trade issues.

David D. Gries
National Intelligence Officer for East Asia

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